

**Acknowledgements and outlooks from the studies and taskforces  
for the Forum d'Avignon 2010**

**Monetizing digital media and culture: creating value that consumers will buy**

**Study Ernst & Young for the Forum d'Avignon 2010**

*Taskforce with patrons and partners of the Forum d'Avignon run by Vincent de la Bachelerie and Bruno Perrin, Axel Ganz, Laure Kaltenbach and Alexandre Joux from May to October 2010*

**Main acknowledgements**

A fragmented market: the proliferation of terminals and digital platforms of distribution took apart the traditional media offer. In 2013, 1.5 billion connected devices should be sold worldwide, adding themselves to the 1.2 billion Internet users already connected in early 2010.

The digital media platforms reach saturation in developed countries (level reached in the U.S.). The more you get closer to saturation, the more features integrated to terminals are proliferating. Worldwide, including emerging markets, the penetration rate of digital media is expected to increase by more than 50% by 2013.

The amount spent on Media advertising should increase from \$ 362 billion in the world in 2009 to \$ 460,3 billion dollars in 2014. In five years, the share of Internet in ad revenue will increase from 15 to 20% of the total, Internet becoming the second advertising support after television.

The entire study is available on the [website of the Forum d'Avignon](#).

**Outlooks**

- **Defragmenting the relationship to the customer to rebuild it through multiple terminals with a flexible pricing policy.** In a time of fragmentation of markets and consequential multiplication of platforms and terminals, using new technologies to offer content connected to all platforms and devices used by each consumer. Redialing offers by adapting them to the profile of each consumer. The access and sharing services, coupled with the blended offer, determines here the value of the content. To do so, learning to manage the rights from multiple users foster the constitution of a unique repertory of the works, at the European or global levels, including the selling conditions of the different parts of the works.
- Developing the marketing skills of cultural industries.
- **Enhancing the perceived value of content to better monetize through micro-payment.** This could be based on successful strategies such as the one promoted by videogames that charge for virtual goods as a counterpart to the free access, faster way to reach a critical size. The press is reproducing this model by breaking the offer according to the so-called freemium principle: free access to the websites of the different newspapers is a way to get readers to pay for a content of higher value. The four dimensions of value are: the format and additional content, the right time, availability and interoperability, sharing and commitment.

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- **Mobilizing funds put together for the “big loan” to support the reorganization of corporate information systems**, necessary for a **better management of the copyrights of digital content**, especially when works' extracts are included in bundled offers; also necessary for optimal management and secure online payments.
  
- **Creating conditions favoring the emergence of a business model based on the concept of "Direct to Consumer"** by rethinking pricing policies (micro-transactions coupled with free services and more expensive offers for exclusive access to specific content) and adapting trade policy to each client after having identification and understanding of its need. Developing systems to collect data on each consumer to deepen this understanding.
  
- **Opening discussions and reflections on the conditions - for telecom operators or media groups in direct relationship with end customers - to become institutions entitled to process micro-payment transactions**, responsible for the financing of the outstanding services and goods.